

COUNTY OF LOS ANGELES DEPARTMENT OF PARKS AND RECREATION

"Parks Make Life Better!"

Russ Guiney, Director

John Wicker, Chief Deputy Director

March 4, 2015

TO:

Mayor Michael D. Antonovich

Supervisor Hilda L. Solis

Supervisor Mark Ridley-Thomas

Supervisor Sheila Kuehl Supervisor Don Knabe

FROM:

Russ Guinev

Director

SUBJECT:

WHITTIER NARROWS GOLF COURSE

On January 14, 2014, the Board approved and instructed the Director of Parks and Recreation (Department) to enter into a Lease Agreement with American Golf of Glendale (American Golf) for the Management and Operation of the Whittier Narrows Golf Course (WNGC). American Golf was the highest ranked proposer for the management, operation and maintenance of the golf course, as a result of a competitive solicitation process. The current operator of the WNGC, VICO, LLC (VICO), held over at the golf course and refused to relinquish possession to the County. However, VICO has now agreed to relinquish possession of the golf course to the County on March 6, 2015.

The Lease Agreement with American Golf was to be effective February 15, 2014, and the term of the lease was to be for 22 years and 3 months, expiring on June 1, 2036. The Lease Agreement termination date is consistent with the remaining term of the County's Master Lease with the United States Army Corps of Engineers (ACOE), which owns the subject property for the management and operation of the Whittier Narrows Recreational Facility, which includes the County Golf Course. As a result of the Department's inability to execute the Lease Agreement with American Golf because of the VICO holdover, the following changes have been made to the Lease Agreement:

- Section 5.0 Term has been updated to reflect the actual term of March 7, 2015 through June 1, 2036.
- Section 6.2.8 has been revised to reflect the accurate term.
- Section 10.8 has been adjusted to reflect that the due date for the first Capital Improvement Plan Fund deposit is on or before the first day of the second year of the Lease Agreement, as opposed to within ten days from execution.

The Honorable Board of Supervisors March 4, 2015 Page 2

Based on the terms of the revised Lease Agreement, it is estimated that the Department's Operating Budget will realize estimated rent revenues of \$34,500,000, over the recommended Lease Agreement term.

Per your Board's prior instruction, I will execute the Lease Agreement, and American Golf will assume operations of the WNGC effective March 7, 2015. Should you have questions, please contact John Wicker, Chief Deputy Director at (213) 738-2953.

RG:JW:KEH:JB:CK:rc

c: Patrick Ogawa, Executive Office, Board of Supervisors Sachi Hamai, Chief Executive Office Christina Salseda, County Counsel American Golf